

Message Text

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45

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 EURE-00 INRE-00 SSO-00 NSCE-00

USIE-00 INT-08 DODE-00 EB-11 INR-10 NSAE-00 RSC-01

TRSE-00 AEC-11 CIAE-00 COME-00 SS-15 NSC-10 L-03 H-03

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 5573

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

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EO 11652 NA

TAGS: EIND, ETRD, EEC

SUB: EC NOTE VERBALE ON US FERROUS SCRAP EXPORT CONTROLS1

1. SUMMARY: THE DANISH PERMANENT REPRESENTATIVE
TO THE EC AND EC COMMISSIONER SPINELLI, ACTING
ON BEHALF OF THE NINE MEMBER GOVERNMENTS AND THE
COMMISSION, HAVE DELIVERED A NOTE VERBALE CONCERNING
US FERROUS SCRAP EXPORT CONTROLS. THE NOTE,
REPRODUCED BELOW EMPHASIZES THE IMPORTANCE OF THE
COMMUNITY'S SCRAP IMPORTS FROM THE UNITED STATES AND REQUESTS
CONSULTATIONS AS SOON AS POSSIBLE.

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THEY HOPE CONSULTATIONS CAN BE HELD PRIOR TO
JULY 31. ACTION REQUESTED: GUIDANCE ON THE
COMMUNITY'S REQUEST. END SUMMARY:

2. ON JULY 24, AMBASSADOR GREENWALD MET WITH ERSBLL, DANISH
PERMANENT REPRESENTATIVE TO THE COMMUNITY ACTING AS
REPRESENTATIVE OF THE MEMBER STATES AND
EC COMMISSIONER SPINELLI AT THEIR REQUEST TO RECEIVE
A NOTE VERBALE ON THE US EXPORT CONTROLS ON FERROUS
SCRAP. THE PERTINENT PORTIONS OF THE NOTE ARE
TRANSMITTED BELOW.

3. BEGIN TEXT. ON BEHALF OF THE MEMBER STATES OF
THE EUROPEAN COAL AND STEEL COMMUNITY, THE DANISH
GOVERNMENT AND THE COMMISSION OF THE EUROPEAN
COMMUNITIES PRESENT THEIR COMPLIMENTS TO THE UNITED
STATES MISSION TO THE EUROPEAN COMMUNITIES AND HAVE
THE HONOR TO REFER TO THE DECISION OF THE GOVERNMENT
OF THE UNITED STATES OF JULY 2, 1973, IMPOSING
LIMITATIONS ON UNITED STATES EXPORTS OF FERROUS SCRAP.

4. THE COMMUNITY POINTS OUT THAT IT TRADITIONALLY
SUFFERS FROM A SHORTAGE OF FERROUS SCRAP. CONSEQUENTLY,
IT HAS ALWAYS BEEN, LIKE JAPAN, AN IMPORTER OF
FERROUS SCRAP FROM THE UNITED STATES MARKET (AVERAGE
IMPORTS IN RECENT YEARS AMOUNT TO 870,000 METRIC TONS
PER ANNUM, REACHING 1.2 MILLION METRIC TONS IN 1969).
THESE IMPORTS DID, ON THE OTHER HAND, FORM A SUBSTANTIAL
PART OF THE COMMUNITY'S IMPORTS.

5. THE COMMUNITY IS CONVINCED THAT THE UNITED STATES
AUTHORITIES HAVE NOT FAILED TO BEAR IN MIND THIS STATE
OF AFFAIRS, BUT IN ORDER TO ELIMINATE ANY DISQUIET
WHICH THE DECISION OF THE UNITED STATES GOVERNMENT MAY
AROUSE, THE DANISH GOVERNMENT AND THE COMMISSION
REQUEST THAT NEGOTIATIONS BETWEEN THE COMMUNITY AUTHORITIES
AND THE UNITED STATES AUTHORITIES TAKE PLACE AS SOON AS
POSSIBLE. END TEXT.

6. IN HIS REMARKS, SPINELLI NOTED THAT ERSBLL AS CHIEF
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OF THE PRESIDING PERMANENT DELEGATION WAS SPEAKING AS
A REPRESENTATIVE OF THE NINE MEMBER STATES. THIS
PROCEDURE IS REQUIRED SINCE THE COMMUNITY INSTITUTIONS,
THEMSELVES, HAVE NO AUTHORITY UNDER THE TREATY OF
PARIS (ECSC TREATY) FOR EXTERNAL COMMERCIAL POLICY.

7. SPINELLI OBSERVED THAT, WHILE FERROUS SCRAP EXPORTS
TO THE COMMUNITY WERE ONLY A SMALL PART OF TOTAL US

EXPORTS, THEY WERE, NEVERTHELESS, AN IMPORTANT PART OF THE COMMUNITY'S IMPORTS. THEY ARE PARTICULARLY IMPORTANT FOR ITALY. HE REGRETTEED THAT WHILE THE US HAD ENTERED INTO DISCUSSIONS WITH THE JAPANESE BEFORE ANNOUNCING THE CONTROLS, WE HAD "ABSOLUTELY NEGLECTED" THE COMMUNITY.

8. SPINELLI, WITH ERSBLL'S AGREEMENT, SAID THAT THERE AS "A CERTAIN URGENCY" TO THE COMMUNITY'S REQUEST FOR CONSULTATIONS. PREFERABLY, THEY SHOULD TAKE PLACE BEFORE THE US DECISIONS ON EXPORT LEVELS TO BE ALLOWED AFTER JULY 31. THE COMMUNITY IS READY, HE SAID, TO CONSULT ON SHORT NOTICE, IN BRUSSELS OR WASHINGTON AT OUR CONVENIENCE. (LOERKE, EC COMMISSION US DESK OFFICER, SAID THAT LARDINOIS HAD ALERTED CERTAIN WASHINGTON OFFICIALS TO THE ISSUE WHEN HE WAS THERE LAST WEEK.)

9. AMBASSADOR GREENWALD ASKED ERSBLL AND SPINELLI HOW THEY PLANNED TO HANDLE THIS PROBLEM WITH THE PRESS. HE POINTED OUT THAT THE NOTE VERBALE CITED ONLY THE 1969 SCRAP EXPORTS TO THE COMMUNITY WHICH HAPPENED TO BE THE LARGEST EVER. IN ADDITION HE NOTED THAT THE US HAD ONLY DONE WHAT MOST OTHER INDUSTRIALIZED NATIONS HAVE BEEN DOING FOR SOME TIME. ALL THE PARTIES AGREED THAT THERE WAS NO POINT IN FEEDING A PRESS DEBATE. ERSBLL AND SPINELLI AGREED THAT IT WOULD BE BETTER TO HOLD THEIR NOTE AND RELEASE BOTH THE NOTE AND OUR ANSWER AT THE SAME TIME.

10. COMMENT : I RECOMMEND THAT WE AGREE TO THE CONSULTATION. THEY WILL PROBABLY WANT TO FIELD A MIDDLE-LEVEL DELEGATION AND THEY WOULD BE PREPARED TO COME TO WASHINGTON AT OUR EARLIEST CONVENIENCE. FROM THEIR POINT OF VIEW, THERE ARE TWO LIMITED OFFICIAL USE

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IMPORTANT ISSUES TO FACE. FIRST, THE COMMUNITY WANTS TO BE ABLE TO SAY THAT IT CONSULTED WITH THE US BEFORE WE TOOK OUR DECISION ON THE EXPORT LEVELS TO BE ALLOWED AFTER JULY 31. SECONDLY, BOTH THE COMMUNITY AND SPINELLI WANT TO BE ABLE TO TELL THE ITALIANS THAT THEIR INTEREST WAS ACTED UPON BY THE COMMUNITY. NEITHER ERSBLL NOR SPINELLI GAVE ANY INDICATION OF THE SUBSTANTIVE ASSURANCES THE COMMUNITY WOULD LIKE TO OBTAIN IN THE PROPOSED CONSULTATIONS. GREENWALD

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